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June 22, 2005

Honorable James H. Welsh
Commissioner of Conservation
Office of Conservation
Post Office Box 94275
Baton Rouge, LA 70804-4275

Re: Commingling Application
 LaPice Commingling Facility No. 1 (Facility Code 92684)
 LaPice Field, St. James and Assumption Parishes, Louisiana

Dear Commissioner Welsh:

Application is hereby made on behalf of **UNION OIL COMPANY OF CALIFORNIA ("Unocal")** for the calling of a public hearing, after ten (10) days legal notice to consider evidence relative to the issuance of an order pertaining to the commingling of production from various leases and units listed on the attached Exhibit "A" (the "subject leases and units") at the applicant's Commingling Facility No. 1 (Facility Code 92684), all in LaPice Field, St. James and Assumption Parishes, Louisiana:

1. To grant authority to commingle hydrocarbons produced from current and future wells located on the subject leases and units at its LaPice Commingling Facility No. 1, in the LaPice Field, St. James and Assumption Parishes, Louisiana, in the manner described in the narrative and shown on the schematic attached hereto as Exhibits "B" and "C", respectively, based on monthly well tests.
2. To grant such exceptions to Statewide Order 29-D-1 as are required by the proposed procedure and to grant such additional authority and approval that may be needed for such procedure.
3. To grant approval of this commingling facility for existing leases and units and for future units composed partially or wholly of said existing units.
4. To consider such other matters as may be pertinent.

Unocal's predecessor operators have previously been granted authority to commingle production from all of the subject units, leases and wells in the 29-D Series of Orders for LaPice

Field, the last order issued being Office of Conservation Order No. 29-D-29, dated June 21, 1994. For the reasons explained in the detailed narrative attached as Exhibit "B", Unocal proposes to convert the method of commingling from measurement and allocation based on metering to that based on well tests. Unocal has notified interested parties of such intention, and although no objections were received, it has not received affirmative approval from 100% of said parties. For that reason, Unocal is requesting this matter be set for hearing.

It is the opinion of Unocal that commingling in the manner proposed will provide reasonably accurate measurement, will not create inequities, and will afford the owner of any interest the opportunity to recover his just and equitable share of production.

Attached hereto and made a part hereof are:

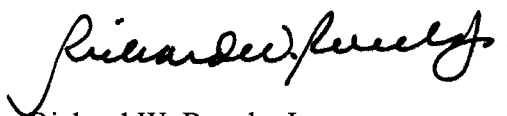
Exhibit A: List of Leases, Units and Wells

Exhibit B: Narrative explanation of the manner in which commingling will be accomplished; and,

Exhibit C: Commingling Schematic.

Copies of this application are being mailed to the Commissioner of Conservation and to the Lafayette District Manager of the Office of Conservation. Notice of the filing of the application is being mailed to the interested parties set forth on the attached list. Finally, enclosed is our check on behalf of the applicant, Union Oil Company of California, in the amount of \$755.00 made payable to the Office of Conservation and representing the required application fee.

Very truly yours,



Richard W. Revels, Jr.

RWRjr/df
Attachments
88100.0973
144412_1.DOC

cc: Mr. Richard Hudson
cc: All parties on attached list (notice only)

Exhibit "A"

Application to Revise Method of Commingling Production
LaPice Commingling Facility No. 1 (Facility No. 92684
LaPice Field
St. James and Assumption Parishes Louisiana

LEASE/UNIT	WELL	STATUS	SERIAL NUMBER
LPI S RA SU; Lillian LaPice	1	Producing	29137
	2	Idle	30512
	3	Idle	31538
	11	Idle	47546
	13	Idle	47881
LPI S RA SU; Triangle Farms Lillian LaPice	2	Idle	30860
	1D	Converted to Single	105457
	4	Idle	31844
	4D	Converted to Single	106756
	5	Idle	32180
	5D	Converted to Single	106498
	6	Idle	44703
	7	Producing	45022
	8	Idle	46861
	9	Idle	47168
	9D	Converted to Single	106757
	20	Producing	94421
	20D	Converted to Single	95140
	23	Idle	98607
	25	Idle	124238
	27D	Converted to Single	106499
	28	Idle	150538
R2 RA SUA; Lillian LaPice	27	Idle	151542
Fred M Bertaut (expired)	3	Idle	94641
Federal Land Bank	5	Idle	30003
	10	Idle	64278
	10D	Converted to Single	88423
	11	Idle	65580
	11D	Converted to Single	95058
	13	Idle	96642
	13D	Idle	122612
	14D	Converted to SWD Well	101475
	17	Idle	103120
	19	Idle	123241
	22	Idle	138048
	27	Idle	152233
E2 RA SUA; Federal Land Bank	25	Producing	149568
SO RB SUA; Federal Land Bank	24	Idle	149276

LEASE/UNIT	WELL	STATUS	SERIAL NUMBER
VUB;Federal Land Bank - LaPice Unit 1	2	Idle	83427
Federal Land Bank - LaPice Unit 1	2D	Converted to Single	84089
FLB - Southdown Sugars Unit A	1D	Idle	120056
Schexnayder Community	3	Idle	29006
	8	Idle	95836
	9	Idle	96101
	9D	Converted to Single	104917
	11D	Converted to Single	136685
	12	Idle	135967
	16	Shut-in WO Pipeline	152685
	17	Converted to SWD Well	154768
Mrs. Henry Schexnayder (expired)	2	Idle	29458
Mrs. Henry Schexnayder (expired)	6	Idle	99650
Mrs. Henry Schexnayder (expired)	7	Idle	213305
G RB SUA; Schexnayder Community	15	Producing	137763
R2 RB SUA; Schexnayder Community	18	Idle	62799
Southdown Sugars (expired)	3	Idle	112193
Southdown Sugars (expired)	3D	Converted to Single	113891
Southdown Sugars (expired)	7	Idle	119407
Q4 RA SUA; Southdown Sugars (expired)	2	Idle	61810
X RA SUA; Southdown Sugars (expired)	4	Idle	129079
D RB SUA; Southdown Sugars (expired)	5	Idle	149841
Triangle Farms	3	Idle	57866

Exhibit “B”

Narrative Explanation
LaPice Commingling Facility No. 1 (Facility No. 92684)
LaPice Field
St. James and Assumption Parishes Louisiana

General Background and Proposed Facility Modifications and Rationale

Unocal proposes using well tests to measure and allocate production in the manner explained below and as shown on the attached Flow Schematic. Each well would be tested monthly by flowing through a three (3) phase test separator in order to allocate total battery production back to each individual lease well or unit well, as applicable. At this stage in the development of the field and given the current low rates of production, it is important to minimize costs to the extent possible. Much of the equipment at the facility is quite old, and Unocal is seeking to minimize costly upgrades where practical. Reducing costs will allow Unocal to continue producing these wells longer, thereby prolonging the life of the field and increasing ultimate recovery of hydrocarbons for the mutual benefit of all owners.

The attached flow schematic depicts the redesigned production facilities and the proposed flow pattern, which will allow efficient and safe operations in compliance with applicable rules and regulations. The changes to the facilities and corresponding commingling of all active wells will provide for satisfactory treatment of fluids with minimal field downtime and cost. A discussion of the proposed flow pattern is as follows.

Low Pressure Wells

All of the wells produced into the “LaPice Commingling Facility No. 1” flow into a low pressure operating system. Low pressure is defined as less than 125 PSI separator pressure. These wells will flow to a three (3) phase bulk production separator. The gas exiting the three (3) phase separator will be metered through an orifice meter and the liquids will be metered individually through turbine meters, and then either recombined into a common line and routed to a heater-treater for further separation of oil and water, or the water will be sent to the SWD system and the oil will either go to the heater-treater for polishing if needed or go directly to the oil stock tanks. Total oil production to the facility will be obtained by tank gauge. Produced water will be sent to the salt water disposal system and metered via turbine meters. Produced gas will be metered through an orifice meter at the three (3) phase separator and routed to compression. Gas not used for gas lift and/or fuel will be compressed and sold.

Well Testing

For testing purposes, those wells will flow through a test manifold, then to a three (3) phase test separator where the oil, water and gas will be separated and measured. Produced gas from the wells on test will flow through an orifice meter for measurement. Produced oil and produced water from the test train will be individually metered through turbine flow meters at the three (3) phase test separator, and routed to a heater-treater for further separation of oil and water, or the water will be sent to the SWD system and the oil will either go to the heater-treater for polishing if needed or go directly to the oil stock tanks.

Gauged oil will be allocated to individual wells based on metered well tests. The turbine meters on the test separator will be swapped out monthly with recalibrated meters done at an independent third party measurement companies shop. Produced gas will be allocated to individual wells based on metered well tests.

Meter Proving

The gas allocation meters will be recalibrated every three (3) months and the test separator gas meter will be calibrated monthly.

The turbine flow meters that are used in the allocation of condensate at the LaPice Commingling Facility No. 1 will be proved monthly by either (i) a certified bi-directional prover loop on site, or (ii) against either a calibrated prover tank/vessel or master meter or (iii) by having spare meters which will be sent into a third party independent measurement company monthly to be calibrated against a certified bi-directional prover loop and rotated with the meter in service. The prover tank/vessel will be properly maintained and recalibrated every five (5) years. The master meter will be calibrated with an appropriate fluid prior to field meter proving. The prover tank/vessel or master meter will be connected in series with the meter to be proved and a meter factor will be determined from the average of multiple test runs. The newly calibrated meters will be rotated monthly.

Flash and Shrinkage Factors

Flash factors for the oil will be determined every six (6) months. Oil samples will be taken from the oil outlet of the three (3) phase test separator while each individual well is being tested at the normal flowing pressure that the well flows at in the Bulk Low pressure separator. An independent lab will be used to stage down a sample to an appropriate operating pressure to obtain a flash factor for allocating flash gas metered off of the bulk separator to each well.

For every producing well, a shrinkage factor will be determined every six (6) months and proper API/ASTM-IP volume corrections will be applied to allocate condensate production. Records of these tests will be maintained as required by Statewide Order No. 29-D-1.

Statement of the Applicant

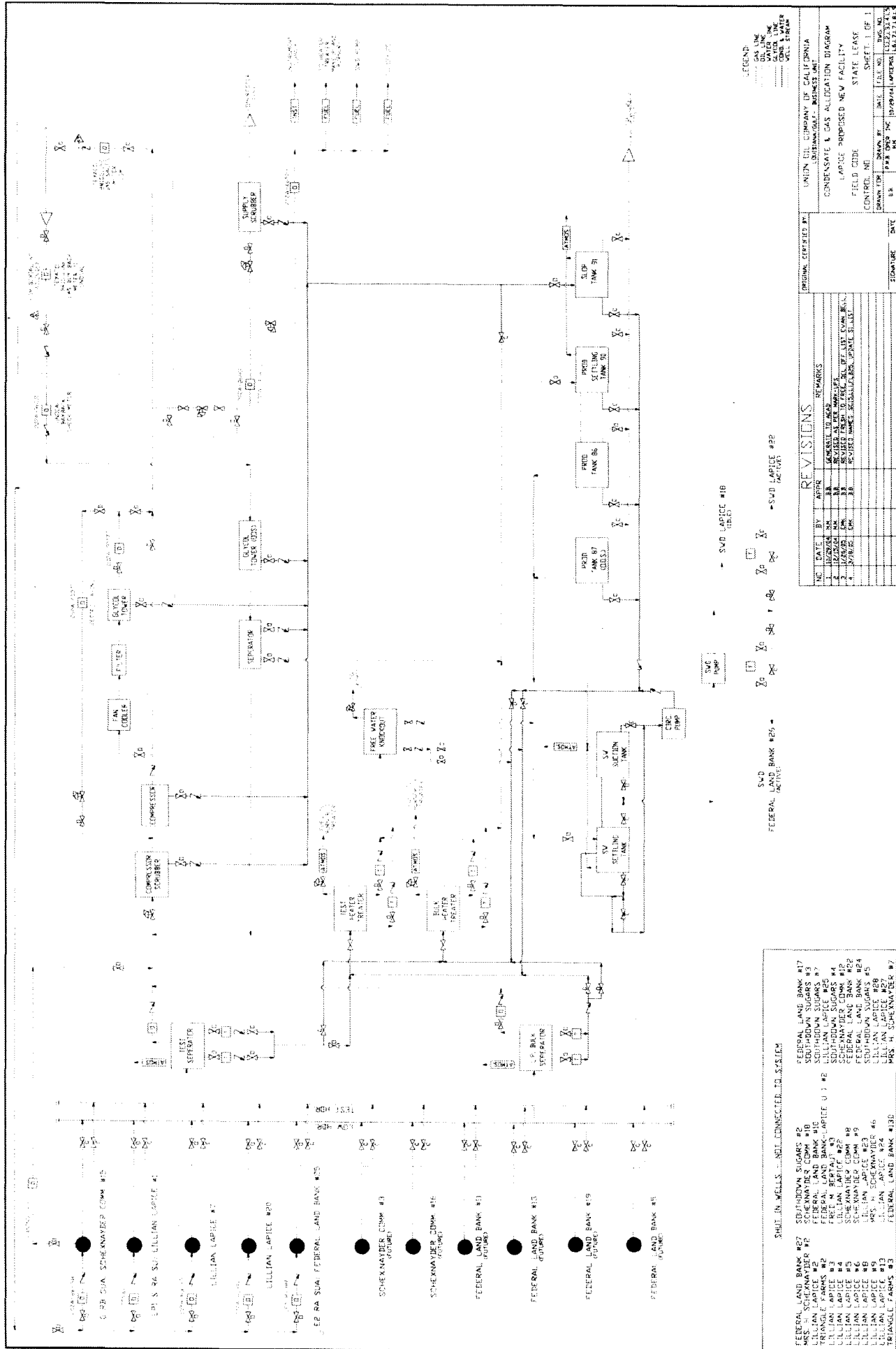
It is the opinion of the applicant that commingling in the manner proposed will provide reasonably accurate measurement, will not create inequities, and will afford the owner of any interest the opportunity to recover his just and equitable share of production.

UNION OIL COMPANY OF CALIFORNIA,



Chris Culver

Exhibit "C"



LEGEND:
--- GAS LINE
--- OIL LINE
--- WATER LINE
--- CONDENSATE LINE
--- OTHER

SWD LAND BANK #25 -
FEDERAL LAND BANK #25 -
SWD LAND BANK #25 -
FEDERAL LAND BANK #25 -

SHUT IN WELLS - NOT CONNECTED TO SYSTEM

REVISIONS				ORIGINAL CERTIFIED BY	
NO.	DATE	BY	APPROV.	DATE	SIGNATURE
1	10/2/74	EM	EM	10/2/74	EM
2	10/2/74	EM	EM	10/2/74	EM
3	10/2/74	EM	EM	10/2/74	EM
4	10/2/74	EM	EM	10/2/74	EM
REMARKS				UNION OIL COMPANY OF CALIFORNIA	
				CONDENSATE & GAS ALLOCATION DIAGRAM	
				LAPICE PROPOSED NEW FACILITY	
				FIELD OFFICE	
				STATE LEASE	
				CONTROL NO.	
				SHEET 1 OF 1	
				DATE	
				SIGNATURE	